Q4 2024 results
Wednesday, 5 February 2025 at 10:45 GMT / 05:45 EST

Introduction | Jeff McLaughlin

Slide 01 | Introduction

Hello everyone. Welcome to today's call and webcast. The presentation was sent to our distribution list by email, and you can also find it on gsk.com.

Please turn to slide 2.

Slide 02 | Cautionary statement regarding forward-looking statements

This is the usual safe-harbour statement - we will comment on our performance using constant exchange rates or CER and excluding COVID solutions, unless stated otherwise.

Please turn to slide 3.

Slide 03 | Agenda

Today's call will last approximately one hour and 15 minutes, with the presentation taking around 40 minutes and the remaining time for your questions.

Our speakers today are Emma Walmsley, Luke Miels, Julie Brown and David Redfern, who will be covering HIV in the absence of Deborah Waterhouse, who is recovering from a successful medical procedure, and Tony Wood will be joining us for Q&A.

Please ask only 1-2 questions so that everyone has a chance to participate.

Turning to slide 4, I will now hand the call to Emma.

Performance momentum, outlooks for growth and returns | Emma Walmsley

Slide 04 | Performance momentum, outlooks for growth and returns

Thank you Jeff, and welcome to everyone joining us today.

Today we are reporting our 2024 results and providing you with updates on our growth outlooks; investment plans; and focus on improving shareholder returns.

Please turn to the next slide.

Slide 05 | Strong track record of performance since demerger

2025 will mark three years since the demerger and the creation of GSK as a new dedicated biopharma company - for patients - and for shareholders.

The demerger enabled a fundamental restructure of GSK - and its balance sheet – bringing new capacity to invest in growth and to deliver returns to shareholders.

3 years on, I'm pleased to say that we've seized this opportunity, and made significant progress, building a strong track record of performance delivery.

Specialty Medicines and Vaccines now dominate our reshaped portfolio and pipeline;

Our long-term outlooks have consistently improved, alongside the quality of our innovation;

And we've delivered sustained year-on-year sharper operational performance, underpinned by a stronger balance sheet.

This all points to GSK having the platform to deliver sustained profit growth and returns - in the short, medium, and long-term.

Next slide, please.

Slide 06 | Strong 2024 performance

Our 2024 performance demonstrates the transformation of the business.

Sales grew 8% to over £31bn - with strong growth and increasing contribution from Specialty Medicines, more than offsetting headwinds in Vaccines.

Core operating profit was up 13%.

And core EPS was up 12%.

This level of performance delivered two upgrades to guidance in 2024, and supports the increased dividend of 61p per share announced today.

I'm also pleased to report that we maintained good progress in our six priority areas to build Trust, not least retaining a leadership position in the Access to Medicine Index where we've been placed first or second in the industry since its inception in 2008.

And, of course, during the year we also resolved the Zantac litigation, prioritising shareholder interests.

Next slide, please.

Slide 07 | Operational delivery driving strong performance

Operational delivery in 2024 reflected strong growth and accelerating momentum of Specialty Medicines with double-digit growth in all therapy areas, and sales of Oncology nearly doubling to more than £1.4bn for the year.

Vaccine sales reflected the challenges we've seen from external pressures in the US and China, for Arexvy and Shingrix. Going forward, we expect these to continue in 2025, but equally, remain confident that Arexvy, Shingrix and our Vaccines pipeline will contribute meaningfully in the medium and long-term.

Importantly, 2025 will see further additions to GSK's portfolio with five new product approvals expected this year.

At the forefront are potential step-changes in treatment with: Blenrep – our novel ADC treatment for multiple myeloma – and depemokimab – our new long-acting IL-5 medicine for the treatment of severe asthma.

Of these two, Blenrep will be the first to launch, with an expected FDA PDUFA in July.

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Slide 08 | Pipeline delivering momentum across therapy areas

Last year, GSK had 13 positive phase III readouts, a record achievement for our R&D organisation.

I am also pleased with the confirmed development and strengthening of our mid and early-stage pipeline, with positive clinical progress and the addition of several promising new assets in the areas of Oncology, and Respiratory/Immunology and Inflammation, or RI&I.

Next slide please.

Slide 09 | R&D focused on 14 scale opportunities launching 2025-31 with PYS potential >£2bn and upside potential from early-stage pipeline and targeted BD

So, with all this progress to date, R&D is now heavily focused on the clinical development of 14 scale opportunities- with peak year sales potential above £2bn and expected launches before 2031 – and the majority in Specialty Medicines.

In RI&I, we're prioritising depemokimab, Nucala COPD, camlipixant and long-acting IL-33, IL-5 and TSLP medicines. The aim here being to leverage GSK's deep expertise in inflammatory mechanisms - to lead in COPD, and to target new options to treat fibrotic lung, liver and kidney diseases.

In Oncology, we are prioritising resources to Blenrep, and to the acceleration of our very promising ADCs: targeting B7-H3 & B7-H4 antigens, as well as continuing life cycle innovation for Jemperli.

In HIV, our plans for long-acting and ultra long-acting treatment and PrEP options – for four and six months – are all progressing very well.

And in Infectious Disease, we are prioritising development of bepirovirsen – our potential functional cure for Hep B – and, of course, our high potential new mRNA and MAPS vaccines.

Alongside these, and as Tony started to outline in December, we're also prosecuting the early stage pipeline, with a further 40 assets or so in phase 1 and 2.

Lastly, we continue to add new opportunities through targeted business development - the recent agreement to acquire IDRx being a good example of what we want to do here.

Next slide please.

Slide 10 | Sales outlook >£40bn in 2031 with accelerated growth in Specialty driven by RI&I and Oncology

Looking at GSK's launch portfolio over the next 5 years, we expect it to offer scale opportunity for growth, together with an attractive risk profile.

By 2031, we're increasing our outlook again, and now expect risk adjusted sales to be more than £40 billion. This increase reflects the inclusion of Blenrep, our significant phase III progress since last year and multiple launch opportunities in the 26 to 31 period.

With almost 90% of our 2031 sales ambition coming from products already approved, or planned for launch in the next 3 years, we're confident that our portfolio will deliver against this guidance.

In terms of contribution, we now expect Specialty Medicines to be more than 50% of sales by 2031, with this area being the key growth driver for GSK over the next few years too, reflecting the high number of opportunities we have in the maturing late-stage pipeline for specialty products - particularly in RI&I, and Oncology.

For Vaccines, while we've adjusted expectations to accommodate for new sales growth trajectories of Arexvy and Shingrix over this period, as you can see here, we continue to expect this part of GSK's business to remain a key source of future growth.

General Medicines will also remain an important and relatively stable contributor to sales over the period.

As before, we have further upside from our early-stage pipeline, including, notably, Q6M HIV, and prospective BD, where we will continue to pursue smart opportunities at the same kind scale and pace seen in recent years. And, as you can see from the two bars here, there is significant potential for upside with successful clinical outcomes.

Next slide, please.

Slide 11 | Strong commitment to growth

Overall then, we continue to set out positive outlooks for growth in the short, medium and long-term.

And we are all strongly committed to maintaining our track record of delivering this together.

We expect 2025 will be another year of profitable growth led by Specialty Medicines.

And with our recent progress, we're now even more confident in our ability to deliver not only our 2026 but also our new 2031 outlooks.

All of this, whilst retaining the flexibility we need to invest competitively in growth; and to deliver improving returns to shareholders.

Next slide please.

Slide 12 | Delivering improving shareholder returns

We remain extremely focused on disciplined allocation of capital.

Our first priority for capital remains to invest in growth and in R&D.

With the pipeline opportunities we now have, we are deliberately prioritising investment to accelerate development of key assets in RI&I and Oncology – alongside long-acting HIV medicines and existing core Vaccines opportunities.

In addition to growth, we also remain focused on delivering improving returns for shareholders.

Our primary mechanism for this remains via delivery of a progressive dividend. For 2024 we have declared 61p, and we expect to pay 64p in 2025.

As we've previously said, we also look to deliver returns using other mechanisms when circumstances and opportunities allow.

And today, we are announcing our intention to buyback up to £2 billion of shares over the next 18 months.

We believe this offers a very attractive return for shareholders at current share price levels.

Very importantly - and to reconfirm - we will maintain planned increased levels of investment in R&D, new launches and targeted business development, alongside these share buybacks.

So let me now hand over to Luke to start to take you through more detail on our 2024 performance and the prospects we see for some of our near-term growth drivers.

Performance: growth drivers | Luke Miels

Slide 13 | Performance: growth drivers

Thanks, Emma. Please turn to the next slide.

Slide 14 | Full-year growth led by Specialty Medicines momentum

As Emma highlighted, overall sales for the year were up 8% with strong growth from Specialty and General Medicines more than offsetting short-term headwinds, primarily in the US, to our Vaccines business.

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Slide 15 | Specialty Medicines

Specialty Medicines continues to show excellent momentum and pipeline progress and as Emma said, its now expected to be over half our business by 2031.

In 2024 Specialty grew 19% with strong performances across all therapy areas.

Respiratory/Immunology products were up 13% in the year. Nucala, our anti-IL5 biologic treatment, grew 12% driven by strong performances in Europe and International. Benlysta, our treatment for Lupus, was up 14% in the year with strong demand across all regions.

In Oncology, sales almost doubled in the year.

Zejula grew 17% with strong growth across all regions driven by sustained increases in patient demand.

Jemperli sales more than tripled in 2024, benefitting from increased patient uptake in the US following FDA all-comers approval for primary advanced or recurrent endometrial cancer. We received EMA all-comers approval in January this year.

Ojjaara sales increased more than ten times in the year, largely driven by continued strong uptake in the US. Contributions from Europe and International are also increasing, following launches in the UK, Germany and Japan, and we expect further launches in 2025.

David will cover HIV shortly.

We expect the excellent momentum in our Specialty Medicines portfolio to continue in 2025 with sales growth of low double-digit per cent, while absorbing the IRA impact.

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Slide 16 | Specialty Medicines

Looking at what's next in Specialty...

In RI&I, we are targeting a major new indication for Nucala – to treat COPD – following positive headline results from our phase III MATINEE trial. COPD affects more than 300 million people globally and is the third leading cause of death worldwide excluding COVID. An FDA decision is expected ahead of the 7th of May PDUFA date and launch preparations are fully underway. We plan to publish full MATINEE results at this year's ATS meeting.

Depemokimab, our new long-acting anti-IL-5 medicine, has now been filed in all major markets for dual approval in severe asthma and chronic rhinosinusitis with nasal polyps. Depemokimab has potential to be the first approved ultra-long-acting biologic with 6-month dosing, offering physicians and patients the reassurance of prolonged efficacy through sustained suppression of inflammation; and could improve compliance and adherence for patients with severe asthma. We expect more phase III readouts over the next 18 months for other eosinophil-driven indications and also plan to start a phase III trial in COPD this year.

And we have camlipixant – a highly selective P2X3 antagonist, with potential to be a best-in-class medicine for treatment of refractory chronic cough – a disease with significant unmet need. First data from the phase III CALM development programme are expected this year with more early next year.

In Oncology, we are working to realise the full potential of our existing medicines, as well as to expand our portfolio in areas of high unmet need. We have significant potential assets to drive growth for GSK, and I am very optimistic about what we - as GSK - can deliver here.

We are building a portfolio of novel pipeline ADCs, with the ability to target tumour cells while sparing healthy ones.

GSK'227 targets B7-H3, an antigen which is over expressed in a wide range of solid tumours. Early data show promising clinical activity, and we expect to share updated small cell lung, osteosarcoma, and additional data from our clinical development programme, at the ASCO and ESMO conferences this year. Pivotal studies for 227 are expected to start before the end of the year.

GSK'584 targets B7-H4, which is also over-expressed across a number of solid tumours. Our initial focus here is for treatment of ovarian and endometrial cancers. Again, we expect to share more data on '584 at conferences this year.

As you may have seen, we started 2025 with the announcement to acquire IDRx. This gives us access to IDRX-42, a very promising - and highly selective KIT tyrosine kinase inhibitor, designed to treat gastrointestinal stromal tumours. This adds to our GI cancer portfolio and we plan to accelerate development of this exciting asset.

Lastly, as a reminder, we also expect initial results from our AZUR-1 and AZUR-2 trials exploring Jemperli in rectal and colon cancer in 2026 and 2027 respectively; and the phase III JADE study to read out in 2028.

All this highlights the very strong progress GSK is making in Oncology. 2025 will be another key year with the launch of Blenrep.

Next slide please.

Slide 17 | Blenrep

Blenrep is at the forefront of our ADC portfolio. In December we presented Overall Survival data from the DREAMM-7 second-line multiple myeloma study at ASH. And the data demonstrated a statistically significant and clinically meaningful 42% reduction in the risk of death, when comparing a Blenrep to a daratumumab based standard of care.

Median OS has not yet been reached in DREAMM-7, but the projected difference is 33 months. For context, that's almost an additional three years survival versus the current standard of care.

If approved, unlike a number of alternative second-line treatments, Blenrep would be an off-the-shelf treatment option, delivered by a 30-minute infusion in a community setting with no requirements for pre-infusion protocols, hospital admission or post-infusion monitoring. This could be important for the 70% of patients treated in the community.

In the newly diagnosed, or first-line setting, we are encouraged by the second-line trial read-outs, but also by the BelaRd trial, which demonstrated 100% response rates. Our pivotal trial for Blenrep in the first-line, DREAMM-10 started recruitment at the end of 2024, and we anticipate headline results towards the end of 2027.

Next slide please.

Slide 18 | Blenrep

I remain very ambitious for Blenrep, which I believe will become an important new growth driver for GSK. We have gained extensive experience of treating patients with Blenrep and have a better understanding of how to mitigate eye-related side effects.

Around a third of patients in Blenrep studies have reported blurred vision as an adverse event. But for the vast majority of these patients, this was manageable, transient, and reversible – and data suggests it did not impact patients' quality of life.

Eye related side effects in DREAMM-7 were generally managed by dose modification – for example by extending the interval between doses. Data recently presented at ASH showed that when dosing intervals were extended from 8 to 12 weeks, the incidence of ocular events declined, and, critically, the efficacy of Blenrep was maintained.

We have completed a number of regulatory filings, and have an FDA PDUFA date of 23 July.

As we prepare for Blenrep's launch, market research tells us intent to prescribe has significantly improved with o/s data a strong motivator. However, HCPs are mindful of eye related side effects and therefore, educating them in appropriate dosing will be key. As a result, in the initial phase, we expect a staged ramp up as we build physician experience for the medium to longer term.

I'll now hand over to David to talk through HIV, before I cover Vaccines and General Medicines.

Performance: growth drivers | David Redfern

Slide 19 | HIV: Double-digit growth in 2024 driven by strong performance of long-acting injectables

Thank you, Luke.

HIV sales continued to deliver strong growth, up 13% for the full year, with Q4, delivering our 9th consecutive quarter of double-digit growth.

Growth in 2024 was driven by strong patient demand for our oral two-drug regimen, Dovato up 27%, and long acting injectables, Cabenuva and Apretude - which reached £1.3bn of sales and contributed more than 50% of total growth. This resulted in a 2-percentage point increase in global market share compared to the prior period.

Cabenuva, the first and only approved complete long-acting injectable regimen for the treatment of HIV, grew 47% to over £1 billion of sales in 2024. Growth was driven by strong patient demand across the US and Europe with 70,000 people living with HIV now benefitting from this transformative medicine globally.

In January, we announced European Commission approval for use in adolescents. This marks an important step in bringing this medicine to younger people in line with our commitment to leave no person living with HIV behind.

Apretude, the first and only approved long-acting option for HIV prevention, delivered sales of nearly £300 million in 2024, continuing its strong growth trajectory at 93%. With 99% effectiveness, we are confident in its strong efficacy, safety and overall tolerability.

In 2024, of the 13% growth, 10% was volume with the remainder favourable in-year pricing dynamics. In 2025, we anticipate sales growing by a mid-single-digit percentage supported by ongoing growth in volume partly offset by pricing headwinds with the introduction of the inflation reduction act, which we expect to be a £150- £200 million impact.

The potential for the long-acting market, remains significant, with the market today for treatment and PrEP together worth more than £22bn, with treatment accounting for around 90% of this and we believe treatment will continue to be the much larger market going forward.

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Slide 20 | Clear roadmap to deliver long-acting innovation

Our pipeline is founded on integrase inhibitors, or INSTIs, the gold standard of HIV treatment and prevention due to their potency, long-term tolerability and high barrier to resistance.

We have a clear roadmap to deliver more long acting innovation with three new INSTIs in development and five planned launches by the end of the decade.

In December, our registrational study for cabotegravir four-monthly long-acting injectable PrEP began and we are on track to start our registrational study for every four-month long-acting injectable treatment this year.

Early data on assets with the potential for six-monthly dosing will be available in 2025, including selected presentations at the CROI congress in San Francisco in March.

We are on track to confirm in 2026 the assets that will deliver six-monthly dosing. For PrEP, this will be one of three long-acting INSTIs, and for treatment, one of those INSTIs in combination with our bNAb, N6LS or our capsid inhibitor.

As pioneers in long-acting injectables, we are confident we have a strong and innovative pipeline to secure and deliver future competitive performance.

With that, I will hand back to Luke.

Performance: growth drivers | Luke Miels

Slide 21 | Vaccines

Thanks David.

Turning to Vaccines, total sales were £9 billion, down 3% in the year, largely due to lower sales of Arexvy in the US.

Overall, Arexvy continues to be the market leader in the US with around 10 million adults now protected. However, demand for the vaccine was lower in 2024 following new ACIP recommendations, a late RSV season, and an unfavourable comparison to launch stocking in 2023. Going forward, we continue to assume no revaccination or expansion of age cohorts in 2025, but we do expect both, in time, given the protection Arexvy can offer against RSV.

Outside of the US, Arexvy has now launched in 36 markets, and we are seeing good momentum in uptake - with national recommendations in 17 markets and national reimbursement programmes in six. We expect more this year.

Moving to Shingrix. Sales grew 1% in the year with growth in Europe and International offsetting lower sales in the US where, as anticipated, the pace of penetration is slowing. The US immunisation rate at the end of the third quarter was 40%, up 5 percentage points - in line with our expectations for around 3-5 percentage points per year. Ex-US, growth was driven by higher uptake across European countries, and a national immunisation programme in Australia. Shingrix is now launched in 52 countries, and the average immunisation rate - across the top 10 markets outside of the US - is now around 7%.

In Meningitis, our portfolio achieved another year of double-digit growth, with sales up 18%. Bexsero reached blockbuster status, with sales up 23%, aided by CDC purchasing and positive recommendation in Germany. Menveo grew 5%, impacted by comparison to stockpile replenishments in 2023. In February, we anticipate US FDA approval of our new pentavalent MenABCWY vaccine, combining the antigenic components of Bexsero and Menveo. In time, we expect this to simplify immunisation schedules - increasing coverage and protection against a serious life-threatening illness.

Medium and long-term, we expect vaccines to remain a key source of future growth. In the short-term, given the challenging China macro environment and the potential for changes to US vaccination policies and uptake in the next 12 to 18 months – we are expecting vaccine sales to decrease low single digit per cent in 2025.

Next slide please.

Slide 22 | General Medicines

General Medicines sales grew 6% in the year. This was largely driven by Trelegy, up 27% with strong demand across all regions, strengthening its position as the top selling brand in asthma and COPD.

In 2024, increased use of authorised generic versions of Advair and Flovent fully offset the headwind from the removal of the AMP Cap on Medicaid drug prices.

This year, we are excited to launch gepotidacin – the first completely new antibiotic to treat uncomplicated urinary tract infections in more than 20 years. We expect to see demand increase from 2026, once payers have completed their review process and put gepotidacin on formulary.

Overall, looking across the Gen Meds portfolio, while we expect volume growth across key brands to continue, we expect that to be broadly offset by pricing and genericisation pressures, and so anticipate sales to be broadly flat in 2025.

I'll now hand over to Julie.

FY 2024 performance and 2025 guidance | Julie Brown

Slide 23 | FY 2024 performance and 2025 guidance

Thank you, Luke and good morning, everyone.

Next slide, please.

Slide 24 | Specialty Medicines contributed >80% of revenue growth

Building on the comments made by Luke and David, this slide shows the significant growth contribution from Specialty Medicines, having delivered more than 80% of the growth this year by building scale and momentum in our Respiratory Immunology and oncology business, as well as ongoing growth in our HIV portfolio.

Next slide please.

Slide 25 | Continued strong momentum in FY 2024

Moving to the income statement for the FY, with growth rates stated at CER and ex COVID.

Sales increased 8% and Core operating profit 13%, despite a 6% headwind from the loss of Gardasil royalties.

Within this, gross margin grew 80bps benefiting from the positive mix from Specialty Medicines and supply chain efficiencies, despite incorporating a £150m charge to drive future supply chain productivity. SG&A increased 2% YOY benefiting from our returns-focused, disciplined approach to investments supporting global market expansion for key assets including Jemperli, Nucala, long-acting HIV, Arexvy and Shingrix, as well as a one-off credit from the Zejula royalty dispute in Q1. R&D grew 7%, broadly in line with sales, as we invested in P3 trials particularly in RI&I, and Oncology.

Core EPS grew 12% slightly below operating profit, as anticipated, due to an expected increase in the core tax rate.

Turning to the Total results, operating profit decreased materially year on year to £4bn. The reduction reflected a £1.8bn charge relating to the resolution of the Zantac litigation and a higher CCL charge driven by the improved long-term outlook of our HIV business.

Next slide, please.

Slide 26 | FY 2024 core operating margin improved

Core operating margin improved to 29.2%, up 130 basis point year on year at CER and ex COVID, notwithstanding the absorption of 140 basis points due to the loss of Gardasil royalties.

This marked improvement demonstrates productivity, efficiency and optimised resource allocation to the key Commercial and R&D assets in the business. The gross margin benefited from the outperformance of Specialty Medicines, positive channel mix and supply chain productivity.

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Slide 27 | FY 2024 free cash flow of £2.9bn

Turning to cash, cash generated from operations was £7.9bn, impacted by settlement payments relating to the resolution of Zantac. Excluding this impact, we continued our track record of improving cash every year with CGFO up £0.4bn, totalling £8.5bn.

This improvement primarily reflected the increase in core operating profit, together with favourable working capital, largely due to lower receivables and lower pension contributions.

These benefits were partly offset by lower other payables due to reduced rebates and returns from AMP Cap.

Free cash flow improved to £3.5bn excluding the Zantac payments, notwithstanding increased investments of £0.4bn in BD intangibles.

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Slide 28 | Capital deployment supports business growth and shareholder returns

This slide demonstrates how we have deployed our cash in line with the capital allocation framework.

Free cash generation pre capex and Zantac was strong at over £6 billion. Our first priority is to invest for growth, and in 2024, we deployed £3.6bn on capex and BD. Our second priority is returns to shareholders. And, today we have declared a dividend of 61p, an increase of 5% YoY and ahead of guidance, reflecting

the strong outperformance of our 2024 result compared to our original position. In 2025, we anticipate paying a dividend of 64p, a further five per cent increase year on year. Finally, we had two one off factors; the monetisation of Haleon, which generated £2.3bn and the resolution of the Zantac litigation.

At December 2024 net debt reduced to £13bn, driven by strong Free Cash generation and the Haleon proceeds. As we have previously said, we will look to deliver incremental returns when the business needs have been fulfilled and the balance sheet allows. Given the significant transformation since the demerger, we now have a strong balance sheet, which gives us a high level of flexibility for the acceleration of organic investments and further business development ; whilst also enabling us to step up shareholder returns. As Emma said, we will augment our dividend with a £2bn share buyback programme to be completed over the next 18 months.

So, to summarise, our focus on investing for growth and there is no change to our capital allocation priorities. And we remain fully committed to maintaining a balance sheet with a strong investment grade credit rating.

Next slide, please.

Slide 29 | 2025 Growth guidance at CER

Now turning to guidance at constant rates, I'll cover 2025 and phasing, and then move to the outlook for 2021-26.

So, first for 2025, we expect another year of good profitable growth for GSK. Sales are expected to increase between 3 and 5%; core operating profit and EPS to increase between 6 and 8%; with EPS impacted by higher interest charges and the tax rate rising to about 17.5%, offset by up to around a 1% benefit from the share buyback.

Some points to note for modelling purposes. Firstly, we expect our sales growth to be driven by Specialty Medicines in 2025, which also benefits gross margin. Third in terms of OPEX, we expect SG&A to grow low single digit %, with strong investments behind product launches, whilst focusing on competitive, precision analytics, and an AI-enabled approach, driving increased ROI.

R&D is expected to grow broadly in line with sales as we prioritise investment in key pipeline assets including in RI&I, Oncology and next generation vaccines. And finally, we expect royalty income to be in the range of £650-700m.

As previously stated at Q3, our guidance incorporates a £400-500m revenue headwind from the introduction of the IRA.

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Slide 30 | Phasing: Growth expected to be H2 weighted in 2025

In terms of phasing, we anticipate growth in 2025 to be second half weighted, largely due to a significant sales comp base effect, particularly in vaccines, as well as benefits last year that will not repeat, namely Zejula in Q1 and return and rebate adjustments in Q2.

Next slide, please.

Slide 31 | Strong commitment to growth

Emma has covered the overall outlooks and therefore I would just like to give more colour on the change in the product mix outlook from 21 to 26.

The contribution from Specialty Medicines has substantially increased, with growth accelerating due to strong RI&I, oncology and HIV performances. This performance momentum means we now expect a low-to-mid teens 2026 CAGR, ahead of previous guidance. And for HIV specifically to grow high single digits across this period.

For Vaccines, the recent performance has been more volatile and whilst we continue to expect material contributions from Vaccines in the medium and long-term, in the near-term we have reduced our expectations for the 2026 CAGR to mid-to-high single digits. Where we ultimately land within this range will depend on a number of factors, most notably, the overall US environment for vaccination, ACIP recommendations, disease incidence; and the China macro backdrop and its implications for Shingrix uptake.

General Medicines has also outperformed, which means we expect a low-single digit contribution to our 2026 CAGR.

Alongside sales, we continue to focus on margin improvement, with no change to our guidance for >31% margin by 2026, a more than 500 basis point improvement over the 5 years and we continue to expect a broadly stable operating margin through the dolutegravir patent expiry.

Next slide please.

Slide 32 | IR Roadmap 2024

Turning to our IR roadmap, we made significant progress this year in our pipeline and execution and the deployment of capital to support growth.

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Slide 33 | IR Roadmap 2025 to 2026

Turning to 2025-26, as mentioned, we expect five major approvals this year including Blenrep and depemokimab.

Over the coming 24 months, we also anticipate phase three readouts for camlipixant for refractory chronic cough, bepirovirsen for Hepatitis B as well as pivotal phase twos for our 4 monthly HIV PrEP and Jemperli rectal cancer.

Next slide, please.

Slide 34 | Committed to capital management and operational efficiency

Before I finish, I just wanted to take a minute to reflect on the progress we have delivered over the last few years, which demonstrates a marked improvement in capital management, operational efficiency, and our commitment to our improving outlooks.

Firstly, operating margin improved 360 basis points. We have moderated the growth of SG&A as we leverage investments and take a disciplined, returns-based approach, together with supply chain efficiencies and mix benefits.

Importantly, over the period, our investment into R&D has increased at a 10% CAGR and going forward, R&D growth is expected to be broadly in line or ahead of sales.

Secondly, cash generated from operations has been growing to about £8bn per year since 2021, with 2024 being a record year adjusting for the one off impact of Zantac. We anticipate this rising further to >£10bn by 2026.

This strong cash generation has allowed us to commit to a progressive dividend policy- with more than 5% growth over the last three years alone. And it has allowed us to announce the £2bn share buyback programme today. Including this, we will have returned in excess of £8bn of cash to our shareholders over the 3 year period to 2025.

Our balance sheet is now very strong with net debt to EBITDA at just 1.2 times – allowing us significant firepower for future BD and shareholder returns. We will continue to benchmark all future deals against stringent criteria to ensure capital is deployed optimally, and ultimately you will only see us investing in opportunities that are strategically aligned to our main therapeutic areas.

And with that I will now hand back to Emma for her closing remarks.

Summary | Emma Walmsley

Slide 35 | Ahead of disease, together

Thanks Julie.

So in summary, GSK is powering forward.

This comes on the back of a strong track record of operational delivery and accelerating progress in innovation and pipeline development, where of course, there is always more to do.

Our portfolio is demonstrating both growth and resilience – built around high-quality Specialty Medicines and Vaccines – with more to come, in key areas of therapeutic strength for GSK.

As we head into 2025, we expect another year of profitable growth, and we have further improved our long-term outlook – to sales of now more than £40 billion by 2031.

Our outperformance and stronger balance sheet support our future investment plans, including for more investment in R&D, more business development, as well as providing us with the opportunity to deliver enhanced shareholder returns.

All of this underscores GSK's opportunity to deliver scale health impact to patients through this decade and beyond. Combining science, technology, and the talent of our people, to get ahead of disease together.

Thank you very much.

And I will now open up the call for Q&A with the team.

Q&A

Emily Field (Barclays): Thank you for taking my questions, I will ask two quick ones. Firstly, I know you have mentioned impact from the China macro on *Shingrix*. Obviously, with the Merck announcement yesterday on Gardasil, there is a lot of concern that the deterioration in this outlook has

accelerated. I just wondered if you could provide a little more granularity on your expectations for *Shingrix* in China in 2025?

Secondly, with the mid-single-digit growth for HIV for 2025, are you assuming much of a competitive impact from the launch of lenacapavir in the second half of this year? Thank you.

Emma Walmsley: Thanks. We'll come to David in a moment on HIV and our confidence there. Let's go to Luke first, on China. I just would flag that this is something that we addressed last year with the repositioning of our deal with our trusted partner, Zhifei, and we still remain ambitious, although the short-term pressures were acknowledged both through 2024 and, of course, in the guidance that we have given for 2025, but none of that takes away from our longer-term ambition.

Luke, would you like to comment on China.

Luke Miels: Thanks, Emily. As Emma said, there is not much more to add than what I covered on the Q3 call. Our market share is around 70% and that is our target population there. We are very happy with the partnership with Zhifei but the intent to extend it out to 2024 was to address exactly what we are seeing right now, which is just to navigate these short-term headwinds. Our focus, operationally, is partnering on the ground with Zhifei to expand in those higher-tier cities. Initial signs are encouraging but, again, I wouldn't expect too much in 2025, this is a mid- to longer-term play here.

Emma Walmsley: Thanks. HIV?

David Redfern: Thank, Emily. First, we are very pleased, obviously, with the continued strong growth momentum in HIV in Q4, contributing almost £2 billion of sales. On your specific question, we certainly expect *Apretude* to continue to grow this year. First and foremost, the PrEP market in the US is actually significantly under-developed – the CDC estimates about 1.2 million Americans could benefit from PrEP and today only about one-third of those are getting any form of PrEP treatment. We also know that the PrEP market is very well suited to long-acting options and I think *Apretude* and now the competitor product have very similar strong efficacy – probably, or definitely, better than the orals, mainly due to

compliance. With a second long-acting entrant coming into the market this year, it should help grow the market for all of us.

Secondly, the competitor product definitely won't be for everyone. We now know that there is quite a high frequency of nodules that people experience in their abdomen, where the two injections are given. I think in the pivotal study, about 63% of participants experienced nodules with a mean duration of about six months, and seven cases of ulceration. I expect we will learn a lot more as the year goes on, through more data and more real-world evidence of exactly what type of patients, and the size of the nodules, and so forth but, for potential PrEP users who are body-image conscious, I think it will be quite a proportion of them. That, potentially, is an issue.

I would then also flag that the competitor product has quite a high number of drug-drug interactions, with as many as 14 classes of commonly prescribed prescription medicines – corticosteroids, erectile dysfunction meds and so forth – and also DDIs with recreational and chemsex drugs, opiates, fentanyls and so on. These DDIs can be serious and, in very extreme cases, potentially cause fatal respiratory depression. So, again, for PrEP users, or potential PrEP users who are taking these meds, it may not be for them. We will see how this unfolds but we expect to grow in a growing market.

Emma Walmsley: Thanks, David. Just to underpin, we welcome the opportunities to grow the market but even if this market triples in size and we get to the 100% participation to the part of the market that the CDC said could be, treatment is still where most of the business is, and here we obviously lead the way.

Richard Parkes (Exane BNP Paribas): Thanks for taking my questions. I have a couple of questions on vaccines and the targets. On *Arexvy*, you saw rapid penetration of the US market, but there's still a large international opportunity, can you discuss how prepared you are to access that in 2025, and what the key factors are in driving that, or limiting your ability to access that opportunity?

Then again on vaccines, you talked about moderating expectations for *Arexvy* and *Shingrix*, can you talk about what's assumed for peak sales of both those products now, because I think the market is quite sceptical about your prior peak sales targets, given the current headwinds, and just wondering what the offsets are to raising your 2031 targets. *Blenrep* has obviously been included, but it sounds like there are some other offsets there where you're more optimistic, so helping understand those moving parts would be helpful.

Emma Walmsley: Thanks, Richard. I'll come to Luke to add a bit more colour on how we see the opportunities for growth over time on *Arexvy*, because we really are in the foothills of this vaccine, which, as you know, we are really thrilled with the data that has come through on its efficacy in a high burden of disease area.

Explicitly, there is no change to our ambitions for our assets, be that our existing ones or some exciting pipeline that are coming through later in the decade. The real question is the area under the curve, and obviously last year you saw us recalibrate our expectations in '24, we did say in Q3 we expected to maintain that, and acknowledged the short-term pressures on Vaccines in '25.

Julie flagged then that we expected the mix to change, she's been more explicit today, we've been more explicit today on how that mix changes, and obviously that has flowed through to our updated 2031 outlooks, alongside – as you suggest Richard - the impact of thirteen positive Phase IIIs, the momentum in our Speciality business more broadly, and as Julie said, whilst acknowledging the pressures on Vaccines, we've upgraded our '26 outlooks for total Specialty, for HIV, also for Gen Meds, these are rolled through and we've added in *Blenrep*. As I outlined in my introduction, this doesn't yet include our intent to invest in progressing the early-stage pipeline or our intent to pursue further BD like the kind of assets that you've seen like at the beginning of January - IDRx isn't yet in there.

I think the key takeaway on this is the strength of our broader portfolio, the progress we're making in the broader pipeline, means we can digest these - what we think are short-term pressures in both the US

and in China, and we remain optimistic about our broader Vaccines pipeline. Lots more to come, particularly in Oncology and RI&I, be it *Blenrep* or ADCs, or the other pipeline that's coming through.

With that, let's come back explicitly to *Arexvy*, Luke, and how you see the international opportunity, whatever the weather in the US is at the moment.

Luke Miels: Thanks Emma, and thanks Richard. You know last year 15% of revenue was ex-US, I'm very encouraged by what we're seeing. It's early days, but we know what we're doing in this context. I think with these national immunisation programmes – I said earlier we have six, in the UK, Greece, one in Czech, Saudi, a strong tender there, as well as critical success with STIKO in Germany, in addition to the US – I think it's an encouraging start.

What also is important is these systems will differentiate, based on clinical data, and the market research that we have in these key markets is certainly very encouraging in terms of the perception of *Arexvy*, the efficacy in high-risk groups as well as the durability and cost effectiveness of the vaccine. I look forward to updating you more this year, but so far, it's a good start.

Peter Welford (Jefferies): Two questions. Firstly, looking at *Arexvy* this time in the US, I wonder if you could talk a little bit about the commercial environment there if you can, because I guess in the latter part of the season that we can see the prescription data for, it looks as if Pfizer is beginning to claw back quite a bit of share compared to what we've seen in the past. Can you just talk a little bit about the contracting that you're seeing, I guess for this year, and perhaps also reluctance on that from pharmacies and bios to engage, given what I imagine on their part must be pretty uncertain demand going into the next season, which I appreciate is still months and months away.

Then secondly, just on the buyback, it clearly reflects your confidence in the longer-term pipeline that you already have I'm guessing internally, relative to how the market perceives the R&D and what you have for new launches. Could you tell me a little bit about, when we look at that chart, how much of it do

you think is reflecting also things like long-acting HIV and maybe you could put a number on how big do you think the HIV long-acting business could be beyond the LOE expiries we are seeing. I guess trying to build some confidence into what the market is missing, do you think, in terms of the resilience perhaps on the base business that gives you the confidence to allocate capital to a buyback today?

Emma Walmsley: Lots of questions in there, Peter. I'll come back to Luke in a minute on the US commercial environment in Vaccines. Obviously lots of external commentary and speculation on that for 2025 which also underpins where we see the pressure of the external environment, but Luke can add further comment on the commercial side.

Buyback is completely consistent with the Capital Allocation Framework that we have laid out, and the first priority continues to be, as both Julie and I said, to invest in the future growth of the company, to invest in the pipeline, to invest it competitively in these exciting new launches that we have coming through, be that the final approvals we hope to have this year, or hopefully, as they progress, the 14 key assets that R&D with commercial partners are working together on, on bringing forward. We also want to and plan to continue to supplement that with further business development.

The point is that, alongside that priority, we also continue to demonstrate our focus on improving shareholder returns, and obviously considering the momentum in the business, the progress in the business, the strengthening of the balance sheet, we are very confident that we have both the circumstances and the opportunity to deliver really compelling returns to shareholders with this announcement that we have made today.

I am not going to guide by individual product forecast in terms of what we will deliver in 2030. We have given a reasonable schematic that we have presented to you that shows most importantly – and this is the key thing that people should take away from today – our biggest business, 19% in 2024 with every single therapy area growing at double digits. It's still a nascent business, but the progress we are making in Oncology is very exciting, and we have a potentially really material contribution to make, even if the launch is staged, and it's really about the contribution from 2026 to 2031, and certainly not to 2025, but we

are very excited about *Blenrep* coming through. Remember, that doesn't yet include first line, but we're pleased to start the study. Let's see – but the data that we have on overall survival is, we think, game-changing as well as life-changing. We are very excited to see what comes there and what could be added with ADCs and the further progress we want to make.

Explicitly on HIV, the six-monthly drugs are not yet included in this outlook, so that is also worth bearing in mind. I think that is where people should focus. No one should doubt for one second our commitment to our Vaccines portfolio but, really, it is this shift in the mix which, as Julie also said, secures the profitability of the business and the gross margin, too.

With that, perhaps Luke could comment specifically on the commercial world and Vaccines at the minute.

Luke Miels: Yes. Thanks, Peter. When ACIP came out with its surprising decision in June, we call a spade a spade, and we said it was going to be tough. The evidence has indicated that that was correct. If you look at penetration rates in the US, the most recent data we have is in November and, if you contrast that with December 2023, what ACIP signalled has clearly happened. People follow ACIP. If you look at penetration in the 75-plus population at the end of 2023, it was about 17%, but only increased up to 26% over 2024. If you look at high-risk individuals in the 60-74 population, it went from 11% to 18% and, in the generally healthy population, where ACIP was steering people away, it just increased from 9.4% to around 14%. So there is a shift here in terms of demand.

If we look at market research and profile, physicians still prefer *Arexvy*. But, I have said this a couple of times, the key element here is to navigate what we think will be a transition from a three-vaccine market to a two-vaccine market. There was a huge amount of pressure – competitive pressure – in the market through the contracting cycle last year and I think we have navigated that quite well. Our focus remains on retail and I would strongly stress is that we need to compare apples with apples when we are talking about market shares. You need to adjust the market shares for maternal volumes, where we don't have the label. If you do that, at the end of 2024, we had about a 58% market share, so about 4.1 doses out of 7

million were with *Arexvy*. I think we are happy with that. The key point is to preserve value and position ourselves for the future, when we do think ACIP ultimately will move to expand this population. Based on the evidence, there will be a re-vax at some point, and we want to keep position to compete with Pfizer very actively at that point.

Emma Walmsley: Thanks, Luke. David, I think you wanted to add something on the six-monthly.

David Redfern: Yes, just on the six-monthly, Peter, as Emma said, it is not in our forecast, but I certainly agree with you that it could be a potential upside. This year will actually be an important year for six-monthly, we will have proof of concept data on 184 and also the two options that we could put with either 184 or one of the other INSTIs. So N6LS, the EMBRACE study at six months, I think we'll have at CROI and also our capsid. The aim is to look at that data this year and then make a regimen selection for treatment and also choose our INSTI for PrEP next year, and potentially start running the pivotal studies in 2027. As we go into next year and 2027, that is probably the time when we will think about formalising the forecasts.

Emma Walmsley: Thanks, David. And let's remember that it was only four years ago that we said we were expecting more than £33 billion in 2031, today it is more than £40 billion, and you can see that we are already close to that number in the near term. So yes, we are confident in our prospects and yes, we know we always have more to do.

Steve Scala (TD Cowen): Thank you. I have two questions. For *Nucala* is the exacerbation data competitive with Dupixent? Have you shown an FEV benefit? If not, your statements about your lead in COPD might seem less secure.

Secondly, you noted that GSK expects changes to US vaccine policy. This contrasts with what another major vaccine company said just last week when they reported, that the company expects no

changes; so in practical, on the ground, everyday terms, what exactly do you expect to happen, and to which vaccines, or is this more a vague concern? Thank you.

Emma Walmsley: Thanks, Steve, I'll come to Tony in a second on *Nucala*. The only point I would make is, our ambition in COPD is across a portfolio pipeline that Tony did share in December, so as well as *Nucala* I'm sure he'll want to comment on that, *Nucala* is just the first foray into biologics for us there.

Then in terms of changes to US, I think our point was, we note the significant speculation – and let's face it, there's been a lot of it over the last few months – around what kind of changes there might be to US vaccine policy, and that is definitely one of the contributors to our view around the short-term pressures on the environment in the US. We also – as Luke re-emphasised – are still living with the decisions that were made by ACIP last year, and the key assumption from us in that context is that there will be no further indications or cohort expansion assumed on RSV this year, although we do over time expect them to be added and as Luke said, re-vax as well.

I think the only point I would add, without wishing to predict exactly what's going to happen, is it was good to hear through the nomination process, RFK reiterate his recognition of the value of vaccines, his own children have been vaccinated. Also over the weekend to hear in the discussions with Senator Cassidy that CDC vaccine guidance and ACIP should remain unchanged. Let's see how this plays out, we'll all know a lot more through 2025, and we look forward to some of the speculation being settled here.

Tony Wood: The first thing I'd say is that we're looking forward to being able to share the total *Nucala* data set with you soon, I'm obviously not going to get into the details of that ahead of publication, but perhaps I might just stress a few aspects of this, particularly in the context of exacerbations and the patient population.

If approved, *Nucala* is going to be the first monthly biologic proven to reduce exacerbations across the full spectrum of COPD, and in particular that includes individuals with emphysema, who are the most

difficult to treat. You will recall from the data that we've previously published around the two prior Phase III studies that across that population, an exacerbation reduction risk in the order of around 20% is typical in the broader population.

I would also stress that we went to great lengths to ensure that we removed comorbid asthma patients from that study as well, so it's difficult to compare side by side, however, we have a broader population, about a third of the COPD population have emphysema – I might ask Luke just to comment on that.

One final thing, if you look back at our data in similar populations we've published on similar sorts of headline efficacy on exacerbations, but it's important not to compare across headline data because of the very different patient characteristics in the two studies.

Luke Miels: Thanks Steve. Tony and I have spent a lot of time talking about this. I think you just need to look at it practically, on the ground. Tony mentioned about a third of those patients have emphysema alone, about a third of them have bronchitis, but also a third of them have mixed, and it can be difficult to separate those.

Also, when you look at the Dupixent population, they were not sick, they were GOLD 2 to 3, so moderate to severe, whereas we were 2 to 4, which included very severe. I think if you look at what the GOLD report, which just came out last year said, it's pretty much positioning Dupixent in that bronchitis subset.

Again, I don't want to pre-empt our data, but I think we have a broader argument here, and also the important thing is the focus on hospitalisations, because when people go into hospital, many of them don't come out and it sets off a cascade here. In summary, we have efficacy in tougher-to-treat patients and a broader population. Let's see what the publication and the reception from the community says, but we intend to compete. There was a request from Dupixent for more competition and we intend to provide it.

Emma Walmsley: This is what is great, the opportunity to grow biologics, on the back, by the way, of fantastic *Trelegy* business in COPD. I am really excited to see what long-acting drugs are going to bring here, so good to see that we are going to into a COPD study for depe. We also have the IL33 and TSLP as well that Tony laid out. I think this is the beginning of some exciting prospects in biologics that will get much stronger through the end of the decade too, in a disease that is the third leading cause of death. When you are talking about scale opportunities to address health in a field that we really know what we're talking about, this is a good one.

Rajan Sharma (Goldman Sachs): Thanks for taking my question. The first one is on HIV. Could you just discuss the dynamics driving that positive impact from channel mix? Is that implying that there is a low proportion of Medicaid patients, and do you expect that to continue into 2025 and 2026?

The second question is just on the 2031 guidance update. You have taken up guidance by £2 billion in revenue which includes *Blenrep*, which you've previously talked about as a £3 billion peak sales opportunity. Just to be clear, should we read that as a £1 billion reduction in the guidance including *Blenrep*, or are you not expecting *Blenrep* to reach its peak until after that.

Just related, there is obviously quite a bit of a difference between where consensus is right now. Is there anything particularly that you would call out as to where that delta is?

Emma Walmsley: Julie, you might want to comment in a minute on the consensus as much as you wish to, and I'll come to David on HIV. But first, to be clear, the outlook for 2031 is more than £40 billion, and we are pleased to have moved that up, as I've said, which is a combination of rolling forward the mix-shift in 2026, progress in our Phase III results across the portfolio and the inclusion of a *Blenrep* second-line launch as well.

There is no change in our ambition for *Blenrep* to be more than £3 billion peak year sales, there is no time put on that, and we are looking forward to the contribution of the five approvals that we flagged, and more to come, really contributing to that 2026-2031 outlook.

David, do you want to comment on HIV?

David Redfern: The main channel mix evolution we expect this year is just the ongoing rise of 340B which is somewhat of a headwind, but not huge. Other than that, I think it's going to be more of the same.

Medicaid and the related programmes like Ryan White, ADAP and so forth, are about 40% of the US HIV book of business. Medicare is about 20%, that is steadily increasing over time obviously as patients get older, and the rest is private insurance. Apart from 340B, I think pretty much the same trend is continuing.

Julie Brown: In terms of the difference with consensus in terms of our outlook, which is more than £40 billion, the two main therapeutic areas where we have a difference are Oncology and Respiratory, Immunology and Inflammation. Within the Oncology category, the two biggest ones are *Blenrep*, and obviously people are probably waiting for launch, and then also *Jemperli*, so they have lifecycle indication, and you have seen the track record we have on *Jemperli* already with some important readouts coming out. Those are two big differences.

Within the Respiratory, Immunology and Inflammation area, we have camlipixant, where obviously people are waiting for the readout that's coming in about a year, and also depemokimab interestingly, even though we now have a successful filing, clearly we have the approval expected towards the end of the year and the launch at the beginning of 2026. Those are the main areas of difference which we have with consensus.

Emma Walmsley: Thanks, Julie. Let's remember, I think it is 72% of reductions and exacerbations that cause hospitalisation on depe, so even if that is a 2026 launch, hopefully with an

approval at the end of this year, just considering the burden of disease, the cost of hospitalisation, the enthusiasm – and Luke has presented this research before from HCPs as well as patients for this – that's definitely one to watch.

Justin Smith (Bernstein): Many thanks. I just have one question on *Blenrep*. I am sorry if this is a slightly ignorant question but, with regard to that DREAMM-10 Phase III first-line, and the MRD endpoint, could you share a few thoughts about how that endpoint resonates with payers and community docs, particularly those outside the US?

Tony Wood: Let me just start with the dynamics and data plan associated with MRD and remind you of what we have already seen with molecular measures in DREAMM-7 and DREAMM-8. Then Luke, perhaps I can hand over to you in terms of the resonance with key docs.

We were expecting – and, again, a reminder that I know that DAC approval of the use of MRD as an endpoint was only just last year, or a recommendation for the use of MRD as an endpoint. We started the study, as Emma mentioned, in December, and we are expecting the first read-out on MRD data in 2027. What needs to occur over the intervening period – and others will be driving this based on their own first-line studies – is a relationship between and an understanding of MRD and a more established regulatory endpoint like PFS. What we know, from our own analysis in DREAMM-7 and DREAMM-8, and indeed other first-line studies for *Blenrep*, is that when we look at the characteristic details of MRD readouts that we see a similarly improved outcome for *Blenrep*, relative to competitive assets.

Luke, you might like to comment.

Luke Miels: Thanks, Justin. Just to build on Tony's point, in the market research we get is exactly what the FDA is signalling, which is that MRD is a practical response to very long durations in clinical trial feasibility in first-line. What it is not is a replacement for survival in second-line. I think that is absolutely critical, and we see that.

As we covered earlier, we have very strong data in second line and we look forward to talking more about it over the year.

Graham Parry (Bank of America): I have a few questions. This first one is just on the guide mix for 2025. Relative to consensus, it looks as though the guidance is a little worse than consensus is looking on Vaccines, but GenMed is better – stable, when most were looking for a decline there. Could you give us a little more colour behind the outlook on GenMed, especially as I think there were some rebate adjustment benefits to *Trelegy* in Q2 last year, so that you are looking for underlying growth. What gives the confidence in that holding flat in the year and perhaps the durability of that beyond 2025?

Secondly, on the buyback and free cashflow allocation, could you give us a sense of where you see free cashflow in 2025? If you are generating around £3 billion in 2024, you are moving to a £2 billion share buyback, but you highlighted low leverage. Are you now assuming that you are going to increase leverage through the year, to fund opportunistic BDL, to make sure that you are still funding the pipeline? Thank you.

Emma Walmsley: Thanks Graham, those are two great questions for Julie.

Julie Brown: Thanks, Graham. In terms of the RAR adjustment we had last year in the second quarter, it was largely that there was a high level - obviously, *Trelegy* was performing extremely well and that attracts high levels of RAR. We had a true-up in the second quarter, simply because when the claims were coming in, they were at a lower level than expected. Whether people were moving into the catastrophic coverage quicker and that was causing that, obviously we don't know, but yes, it was a benefit in the second quarter of last year.

In terms of the leverage point, obviously we have ended the year really well. We have leverage of 1.2 x net debt to EBITDA. We would expect to run the buyback, as we have mentioned, over a period of

within 18 months. Obviously, the weighting will be more towards 2025, so the leverage will move up during the course of the year.

In terms of cashflow expectations for 2025, obviously slightly below 2024. We have the *Zantac* settlement going through, which is expected in the second quarter, and then we will have an upside from operating profit growth, RAR likely and trade payables.

James Gordon (JP Morgan): Two quick ones, please. One was capital allocation – building on one of the earlier questions – where is the ceiling in terms of how levered the company will now be? I think you will now be about 1.6x, could you go much above that so you could still do multi-million pipeline deals, or is that optionality off the table?

The second question, camlipixant was mentioned, so I think we're going to get one of the Phase IIIs end of this year, and one early next year. Merck's Gefa, which is also a P2X3, that had maybe similar efficacy to you in Phase II and ultimately didn't come to market, so what is the latest thinking in what you actually need to show in camlipixant, and how confident are you that this is going to be a blockbuster product for GSK?

Emma Walmsley: I'll come to Tony to answer on that and the two studies that we have coming. Luke, you might want to add also a reminder on why we wanted to do this deal, and what the patient opportunity is.

In terms of capital allocation and business development, I'm just going to repeat what we've said, which is, our No. 1 priority is to invest in growth, we do want to do more BD, I'm really pleased with the discipline that has gone into the kind of business development that we've been doing, the bolt-ons in our core areas, some that might be high risk but very high return, and really nice tuck-ins, including the IDRx one that we just announced.

You should expect, James, the kind of BD that we've been doing at the kind of scale and pace, with the focus and the discipline that we've been doing. Obviously, we want to underpin all of that capital allocation with a strong balance sheet. Julie, I don't know I there's a sentence or two you want to say on leverage?

Julie Brown: I think in terms your question about the ceiling, we want to retain the strong investment grade rating, clearly the rating agencies give you a period of leeway with regard to that, so we're not going to set a number because it's not a scientific number, but we're basically very comfortable with where the balance sheet is. As Emma mentioned, very clear priorities about capital allocation, they haven't changed, it's just the robustness of the balance sheet that allows us to do the buyback, complemented with what we're already doing in BD.

Emma Walmsley: All supported by the strong momentum in the delivery of the business, which we're planning to maintain.

Tony Wood: Camlipixant: just quickly then, James, I think it's really important when you look at this area and P2X3, not just to think about efficacy but in particular to think about therapeutic index. If you remember, camlipixant has a far improved therapeutic index, particularly with regard to taste disturbance – we have less than 6.5% adverse events in our study so far. Compare that with Gefapixant, which had a nearly 70% taste disturbance, so it makes it hard to run this study when you're unblinding your treatment group.

Just to keep it short, I think we have a far superior asset, and a clinical trial programme which has been designed to take account of the aspects of frequency of cough. As I mentioned, we will not be unblinded functionally by the taste disturbance in the way that Gefapixant was.

Luke Miels: Just to build on Tony's point, the SMOOTH Phase IIb, we saw around 34% cough reduction, I think Tony's team's doing an excellent job in terms of execution of that study. Merck's molecule was basically a product, it validated the target but it had flaws in its selectivity and there were some

challenges in study design around cough counter. These have all been incorporated into our programme. When we talk to pulmonologists they still express high enthusiasm.

The numbers are quite big, if we modelled out to 2030 we expect just under 3 million patients in the US will have had chronic cough for more than a year, and over that number in Europe. We're talking large numbers of patients sitting in primary care and also pulmonologists, respiratory physicians' offices, and there are limited options for those people at this point.

Emma Walmsley: Really high dissatisfaction with current standard of care options.

Thanks everybody. Again, after a strong '24 we really are looking forward to another year of profitable growth and pipeline progress, and we're really pleased to be upgrading together our 2031 outlooks again, with prospects of 50% of our business by then, more than 50%, being in Specialty Medicines, and this continued performance and the stronger balance sheet are really underpinning our plans to continue to increase investment in the 14 key assets that we are focused on, in the pipeline, in BD and in the successful launches ahead, and of course, staying focused on improving our direct returns to shareholders. Thanks everyone, we look forward to catching up with you in the coming days.

[*Ends*]